

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Patent application of	:	
Sherwood CREEDLE et al.	:	Group Art Unit: 3689
Application No.: 10/673,142	:	Examiner: Matthew S. Meyers
Filed: September 30, 2003	:	Confirmation No.: 3841

Title: ADMINISTERING A CONTACT OVER A DATA NETWORK

**REPLY BRIEF**

Honorable Assistant Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir:

In connection with the Notice of Appeal, dated May 20, 2008, and Appeal Brief, dated July 21, 2008, and in response to the Examiner Answer, mailed October 20, 2008, Applicants provide the following Reply Brief in the above-captioned application.

**Status of the Claims**

Claims 1-4, 6-7, 11-24 and 28-37 are pending in this application. Claims 5, 8-10 and 25-27 have been previously canceled, without prejudice and without disclaimer of the subject matter. No claims are withdrawn from consideration.

Claims 1-4, 6-7, 11-24 and 28-37 are the subject of the present Appeal. Claims 1-4, 6-7, 11-24 and 28-37 are finally rejected, and are duplicated in the Appendix of the Appeal Brief, filed July 21, 2008.

### **Grounds of Rejection to be Reviewed on Appeal**

The issues on appeal in the present matter are whether:

- I. Claims 1-4, 6-7, 11-24, 29 and 30-33 are properly rejected under 35 U.S.C. § 102(b) based on public use or sale of the invention;
- II. Claims 1, 2, 4, 6-7, 28-30 and 31-33 are properly rejected under 35 U.S.C. § 102(b) as being anticipated by “Primavera Launches PrimeContract for the Construction Industry; PrimeContract Streamlines E-Commerce, Collaboration and Project Control via the Internet,” BUSINESS WIRE, November 29, 2000 (hereinafter “the PRIMAVERA Article”);
- III. Claim 3 is properly rejected under 35 U.S.C. § 103(a) as being unpatentable over “Primavera” in view of “SK Drywall v. Developers Financial,” ARIZONA BUSINESS GAZETTE, November 8, 1991, p. 52;
- IV. Claim 11 is properly rejected under 35 U.S.C. § 103(a) as being unpatentable over “Primavera” in view of “Retainage, what is it?” NEW YORK STATE OFFICE OF THE STATE COMPTROLLER, ACCOUNTING BULLETIN A-191 R1 (last updated October 18, 1999); and
- V. Claims 12-24 and 34-37 are properly rejected under 35 U.S.C. § 103(a) as being unpatentable over “Primavera, as evidenced by Brochure,” referring to “Primavera PrimeContract: The Future of Construction” (2001) (hereinafter “the PRIMAVERA Brochure”).

## **Arguments**

In this portion of the Reply Brief, responsive arguments are provided. More particularly, Applicants address the Examiner's "Response to Argument" set forth in the Examiner's Answer (mailed October 20, 2008), pp. 18-21. Notably, Applicants expressly maintain their previous arguments for patentability provided in their responses to Office Actions and the Appeal Brief (filed July 21, 2008), and otherwise do not waive any arguments, even though they may not be specifically addressed or repeated in this Reply Brief.

### **I. Rejection under 35 U.S.C. § 102(b) – On Sale/Public Use**

#### **A. Not an Offer to Sell**

The Final Office Action rejected claims 1-4, 6-7, 11-24, 29 and 30-33 under 35 U.S.C. § 102(b) based on public use or sale of the invention. *See* Final Office Action, p. 2. In particular, the Final Office Action cites a confidential meeting, held more than one year before the filing date of provisional patent application 60/415,762 (October 4, 2002) from which the present application claims priority. As stated in the Appeal Brief, Applicants submitted a detailed declaration by inventor Sherwood Creedle ("Creedle Declaration"), attached to the previous Amendment, filed January 8, 2008. *See* Appeal Brief, p. 7. A copy of the Creedle Declaration is also attached to the Appeal Brief in the "Evidence" Appendix.

In response to Applicants' arguments, the Examiner asserts that the meeting constituted an offer to sell, characterizing the meeting as "Experimentation to determine product acceptance, i.e., market testing ..." and "testing of an invention for the benefit of appeasing a customer, or to conduct 'minor "tune-up" procedures ...." *See* Examiner's Answer, p. 18 (citing MPEP 2133.03(e)(6a)). In support, the Examiner cites paragraph 7 of the Creedle Declaration, which provides, "The purpose of the meeting, therefore, was to gather feedback and to determine whether a product generally enabling administration of a contract over the Internet was desirable, and whether there was a potential market for such a product." *See* Examiner's Answer, p. 19.

However, regardless of this characterization (with which Applicants disagree), the meeting as described in the Creedle Declaration did not constitute an offer to sell for a number of additional reasons raised in the Appeal Brief, but not addressed by the Examiner. *See* Appeal Brief, pp. 8-9. First, the general concept was in the early design stages, in that no software code had yet been developed or written at the time of the meeting (Creedle Declaration, ¶5), and therefore, the invention was not yet sufficiently reduced to practice for there to be an offer to sell. *See, e.g.*, MPEP 2133.03(b)(II)(C). Second, there was no discussion of price and/or a time or place of delivery (Creedle Declaration, ¶¶12, 13), and no such offer was actually made (Creedle Declaration, ¶8); therefore, there was no discussion that rose to the level of detail sufficient to constitute an offer to sell under 35 U.S.C. § 102(b). *See, e.g.*, MPEP 2133.03(b)(II)(D).

Accordingly, with respect to these facts and arguments, the Examiner still has not provided any contradictory facts or additional evidence, and has not specifically addressed the legal arguments with respect to on-sale bar or public use rejections under 35 U.S.C. § 102(b). Applicants therefore submit that, based on the undisputed evidence provided in the Creedle Declaration and unanswered arguments provided in the Appeal Brief, the meeting did not constitute a public use or an offer to sell under 35 U.S.C. § 102(b). The rejection of claims 1-4, 6-7, 11-24, 29 and 30-33 under 35 U.S.C. § 102(b), based on on-sale bar and/or public use, should therefore be withdrawn.

## **B. Not a Printed Publication**

Further, to the extent the rejection of claims 1-4, 6-7, 11-24, 29 and 30-33 under 35 U.S.C. § 102(b) depends on the PowerPoint presentation, Applicants have submitted that the PowerPoint presentation is not a printed publication, generally due to agreed confidentiality and lack of dissemination and public access.

In response to Applicants' arguments, the Examiner asserts that the guests at the meeting "were not member[s] of the inventor's organization," there was no "proof of an agreement to remain confidential," and "there is no indication on the GCPay reference anywhere that the document was confidential." *See* Examiner's Answer, p. 19. The Examiner did not reference any portion of the Creedle Declaration or provide factual

evidence contradicting any portion of the Creedle Declaration. *Id.*

Applicants note that whether the guests were members of the inventor's organization is irrelevant when there is an agreement of confidentiality. Further, as acknowledged by the Examiner, an agreement of confidentiality need not necessarily be specifically stated in writing. *See* Examiner's Answer, p. 19 (citing *In re George*, 2 USPQ2d 1880 (Bd. Pat. App. & Inter. 1987). The undisputed facts show a legitimate expectation of confidentiality, which is sufficient, even in the absence of a written confidentiality agreement. *See* MPEP 2133.03(a)(II)(A)(4) (citing *Bernhardt, L.L.C. v. Collezione Europa USA, Inc.*, 386 F.3d 1371, 1380-81, 72 USPQ2d 1901, 1909 (Fed. Cir. 2004)).

In summary, the still undisputed facts are that the meeting was private and by invitation only (Creedle Declaration, ¶¶3, 4, 9), the attendees were told that the information was confidential (Creedle Declaration, ¶9), the attendees were not permitted to keep copies of the PowerPoint presentation, which were deliberately collected at the end of the meeting (Creedle Declaration, ¶10), and the attendees were not permitted to take notes (Creedle Declaration, ¶11).

Accordingly, the rejection of claims 1-4, 6-7, 11-24, 29 and 30-33 under 35 U.S.C. § 102(b), based on the PowerPoint presentation allegedly being a prior art reference should therefore be withdrawn.

## **II. Rejection under 35 U.S.C. § 102(b)**

The Final Office Action rejected claims 1, 2, 4, 6-7, 28-30 and 31-33 under 35 U.S.C. § 102(b) as being anticipated by "Primavera Launches PrimeContract for the Construction Industry; PrimeContract Streamlines E-Commerce, Collaboration and Project Control via the Internet," BUSINESS WIRE, November 29, 2000 (hereinafter "the PRIMAVERA Article").

### **Claim 1**

Independent claim 1 is drawn to a method for administering performance of a contract using a server accessible by performing parties through a data network, and

features:

*“...receiving performance data at the server from at least one of the performing parties through the data network, the performance data indicating an amount of work performed under the contract by the at least one performing party; automatically calculating a contract markup amount based on the performance data; and determining a payment amount based on the performance data and the contract markup amount.”*

In the Appeal Brief, Applicants generally asserted that paragraph 8 of the PRIMAVERA Article, relied on by the Examiner, does not disclose automatically calculating a contract markup amount based on the performance data, and determining a payment amount based, in part, on the contract markup amount. First, the PRIMAVERA Article states that subcontractors apply performance data against a defined schedule of values, which teaches away from the markup being calculated automatically. Second, there is absolutely no mention of markup in the PRIMAVERA Article, and does not disclose automatically (or even manually) calculating a contract markup amount based on the performance data. *See* Appeal Brief, p. 12.

In response to Applicants’ arguments, the Examiner asserts that “calculating a markup is contained within the corresponding scheduled value,” relying on a sentence in paragraph 8 of the PRIMAVERA Article: “Contract details are entered one time using familiar forms, and subcontractors simply apply performance data against the defined schedule of values.” Examiner’s Answer, p. 20. However, applying performance data against a defined schedule of values does not disclose automatically calculating markup. This is particularly true where the markup automatically calculated according to claim 1 is calculated on performance data received at the server from another performing party.

### **Claim 28**

Independent claim 28 is drawn to a system for enabling a contract payment process, and features:

*“...a database for storing data relating to each of a plurality of users, the data comprising an account number corresponding to each user... wherein an electronic payment directed to the account number corresponding to the user is initiated in response to the payment request when the payment request is approved.”*

In the Appeal Brief, Applicants generally asserted that paragraphs 8 and 9 of the PRIMAVERA Article do not disclose a database for storing data relating to each user, the data comprising an account number corresponding to each user, or initiating an electronic payment directed to the account number corresponding to the user in response to an approved payment request. *See* Appeal Brief, pp. 13-14.

In response to Applicants’ arguments, the Examiner asserts that the PRIMAVERA Article discloses a database at paragraph 7, which states, in part: “...while PrimeContract’s collaboration tool provides a way to store and monitor communications more effectively across project teams.” The Examiner also relies on paragraph 9, which states, in part: “This tool will allow us to consolidate data and access it in real time ....” *See* Examiner’s Answer, p. 20. However, merely storing communications and consolidating data does not disclose a database that specifically stores data relating to each of a plurality of users, the data specifically including an account number corresponding to each user, as recited in claim 28. Moreover, merely storing communications and consolidating data certainly does not disclose directing an electronic payment to the account number stored in the database corresponding to the user initiated in response to a payment request, which is also recited in claim 28, but not addressed in the Examiner’s Response to Arguments. *Id.*

### **Claim 31**

Independent claim 31 is drawn to a method for administering performance of a contract using a server accessible by performing parties through a data network, and features:

*“...receiving performance data at the server from at least one of the performing*



*parties through the data network, the performance data indicating an amount of work performed under the contract by the at least one performing party; determining a payment amount based on the performance data; and sending the payment amount from the server to another one of the performing parties through the data network.”*

In the Appeal Brief, Applicants generally asserted that paragraph 8 of the PRIMAVERA Article does not disclose determining a payment amount based on performance data. *See* Appeal Brief, p. 14. That is, subcontractors merely applying performance data against a defined schedule of values would appear to involve simply associating work performed with previously determined schedule entries. This effort does not disclose determining a payment amount based on the performance data.

In response to Applicants’ arguments, the Examiner quotes the specification: “The method may further include initially storing a schedule of values associated with performance of the contract, so that determining the payment amount is further based on comparing the performance data with the schedule of values.” *See* Examiner’s Answer, p. 21. Applicants note, however, that the PRIMAVERA Article appears to refer to a subcontractor entering data in its own schedule of values, while the quoted portion of the specification refers to another party, e.g., a general contractor determining payment based on performance data from the performing party. Further, Applicants note that claim 31 goes on to recite that the determined payment amount is sent from the server to another one of the performing parties through the data network. Since paragraph 8 of the PRIMAVERA Article discloses a subcontractor applying performance data against the defined schedule of values, there would appear to be no reason for the subcontractor to send a payment amount from a server. (Further, there is no disclosure of sending payments from a server in paragraph 8 of the PRIMAVERA Article, only subcontractors submitting and negotiating their monthly progress payments.)

For at least the reasons set forth above, Applicants respectfully submit that a proper *prima facie* case of anticipation has not been established because the applied art does not disclose at least one feature of each of independent claims 1, 28 and 31. Therefore, claims 1, 28 and 31 are patentable over the applied art, and claims 2, 4, 6-7,

29, 30, 32 and 33, which depend, directly or indirectly, from claims 1, 28 and 31, respectively, are patentable for at least the same reasons.

### **III. Rejection under 35 U.S.C. § 103(a)**

The Final Office Action rejected claims 12-24 and 34-37 under 35 U.S.C. § 103(a) as being unpatentable over “Primavera, as evidenced by Brochure,” evidently referring to “Primavera PrimeContract: The Future of Construction” (2001) (hereinafter “the PRIMAVERA Brochure”). See Final Office Action, pg. 10.

#### **Claim 12**

Independent claim 12 is drawn to a method for administering performance of a project using a web server accessible through a packet switched data network, and features:

*“... creating a general contract schedule of values relating to the project, the general contract schedule of values comprising a plurality of general contract line items; receiving at least one subcontract schedule of values via the packet switched data network, the subcontract schedule of values comprising a plurality of subcontract line items; receiving associations between the subcontract line items of each subcontract schedule of values and the general contract line items of the general contract schedule of values; receiving at least one subcontract application for payment via the packet switched data network, the subcontract application for payment including the subcontract line items; updating the general contract line items based on information in the associated subcontract line items received in the subcontract application for payment; and creating a general contract application for payment based on the updated contract line items; wherein the general contract application for payment automatically determines a total performed work amount and a payment amount due based on the total performed work amount.”*

In the Appeal Brief, Applicants generally asserted that paragraph 8 of the

PRIMAVERA Article does not mention or otherwise teach “line items,” and that paragraph 8 only discusses one schedule of values with respect to subcontractors, and therefore teaches at most a general contractor schedule of values or a subcontractor schedule of values, but not both. *See* Appeal Brief, pp. 17-18.

Applicants further asserted that claim 12 does not simply recite a general contractor applying for progress payments, but rather includes numerous features for which the PRIMAVERA article did not have corresponding teachings, as acknowledged by the Examiner. *See* Appeal Brief, p. 18. The Examiner asserted that “it would have been obvious to a person having skill in the art ... to apply the same methods of Primavera to progress payments between a general contractor and an owner or other similar entity in order to move efficiently track the progress of construction and effectuate prompt and accurate payments thereof.” *See* Final Office Action, pg. 12; Reply Brief, pp. 13-14. Applicants pointed out that the Examiner did not address these significant additional claim recitations, and provided no evidence that they would be obvious to one of ordinary skill in the art. *See* Appeal Brief, p. 18.

In response to Applicants’ arguments, the Examiner refers to FIG. 5 of Applicants’ specification (*see* Reply Brief, p. 21), which depicts a web page with blank fields for creating a general contractor’s schedule of values. The Examiner then asserts that “a line item is the contained on the form [sic] which Primavera discloses as ‘contract details are entered one time using familiar forms’ and all the subcontractor need include is a description which Primavera discloses as ‘Contract details’ and a scheduled value.” *Id.*

However, these sweeping generalizations with respect to “contract details,” “familiar forms” and a single “schedule of values” do not teach or suggest the very specific claim elements of “general contract line items,” “subcontract line items,” “general contract schedule of values” and “subcontract line items,” recited in claim 12. Further, the Examiner still points to no substantive disclosure that allegedly teaches the majority of recitations in claim 12, including the following:

- associating subcontract and general contract line items, updating general

- contract line items based on associated subcontract line items
- creating the general contract application for payment based on the updated line items, and automatically determining total performed work amount (based on the updated general contract line items)
- a payment amount due based on the total performed work amount.

Rather, the Examiner further expands the meager disclosure in paragraph 8 of the PRIMAVERA Article by generally asserting “obviousness,” with no evident grounds other than improper hindsight reasoning. Further, “[R]ejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” MPEP 2141 (quoting *KSR International Co. v. Teleflex Inc.* (KSR), 550 U.S. \_\_\_, 82 USPQ2d 1385, 1396 (2007)).

#### **Claim 34**

Independent claim 34 is drawn to a computer readable medium storing a computer program for administering performance of a contract, the computer program being executed by a computer accessible through a data network, and features:

*“...a general schedule of values code segment for enabling creation of a general contract schedule of values relating to the project, the general contract schedule of values comprising a plurality of general contract line items; a subcontract schedule of values code segment for receiving at least one subcontract schedule of values via the data network, the subcontract schedule of values comprising a plurality of subcontract line items; an associating code segment for receiving associations between the subcontract line items of each subcontract schedule of values and the general contract line items of the general contract schedule of values; a subcontract payment application code segment for receiving at least one subcontract application for payment via the packet switched data network, the subcontract application for payment including the subcontract line items; an updating code segment for automatically updating the general contract line*

*items based on information in the associated subcontract line items received in the subcontract application for payment; and a general contract payment application code segment for creating a general contract application for payment based on the updated contract line items; wherein the general contract application code segment automatically determines a total performed work amount and a payment amount due based on the total completed work amount.”*

In the Appeal Brief, Applicants generally asserted that paragraph 8 of the PRIMAVERA Article does not mention or otherwise teach “line items,” and that paragraph 8 only discusses one schedule of values with respect to subcontractors, and therefore teaches at most a general contractor schedule of values or a subcontractor schedule of values, but not both. *See* Appeal Brief, pp. 19-20.

Applicants further asserted that claim 34 includes numerous features for which the PRIMAVERA article did not have corresponding teachings, as acknowledged by the Examiner. *See* Appeal Brief, p. 20. Again, the Examiner merely asserted that “it would have been obvious to a person having skill in the art ... to apply the same methods of Primavera to progress payments between a general contractor and an owner or other similar entity in order to move efficiently track the progress of construction and effectuate prompt and accurate payments thereof.” *See* Final Office Action, pg. 12; Reply Brief, pp. 13-14. Applicants pointed out that the Examiner does not address these significant additional claim recitations, and provides no evidence that they would be obvious to one of ordinary skill in the art. *See* Appeal Brief, p. 20.

In response to Applicants’ arguments, the Examiner addresses claims 12 and 34 together. In particular, the Examiner refers to FIG. 5 of Applicants’ specification (*see* Reply Brief, p. 21), which depicts a web page with blank fields for creating a general contractor’s schedule of values. The Examiner then asserts that “a line item is the contained on the form [sic] which Primavera discloses as ‘contract details are entered one time using familiar forms’ and all the subcontractor need include is a description which Primavera discloses as ‘Contract details’ and a scheduled value.” *Id.*

However, as stated above with respect to claim 12, Applicants submit that these

sweeping generalizations with respect to “contract details,” “familiar forms” and a single “schedule of values” do not teach or suggest the very specific claim elements of “general contract line items,” “subcontract line items,” “general contract schedule of values” and “subcontract line items,” recited in claim 34. Further, the Examiner still points to no substantive disclosure that allegedly teaches the majority of recitations in claim 34, including the following:

- an associating code segment for receiving associations between the subcontract line items of each subcontract schedule of values and the general contract line items of the general contract schedule of values
- a general contract payment application code segment for creating a general contract application for payment based on the updated contract line items
- the general contract application code segment automatically determining a total performed work amount and a payment amount due based on the total completed work amount.

Rather, the Examiner further expands the meager disclosure in paragraph 8 of the PRIMAVERA Article by generally asserting “obviousness,” with no evident grounds other than improper hindsight reasoning. *See also* MPEP 2141 (quoting *KSR International Co. v. Teleflex Inc.* (KSR), 550 U.S. \_\_\_, 82 USPQ2d 1385, 1396 (2007)).

For at least the reasons set forth above, Applicants respectfully submit that a proper *prima facie* case of obviousness has not been established because the applied art, either alone or in any proper combination, does not disclose at least one feature of each of independent claims 12 and 34. Therefore, claims 12 and 34 are patentable over the applied art, and claims 13-24 and 35-37, which depend, directly or indirectly, from claims 12 and 34, respectively, are patentable for at least the same reasons.

**Conclusion**

In view of the foregoing, Applicants respectfully request: the withdrawal of all objections and rejections of record; the allowance of all pending claims; and the holding of the application in condition for allowance.

Respectfully submitted on behalf of:

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/Van C. Ernest/

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